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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/825,426	04/03/2001	Glenn Frank	20062/3-CIP	2062

7590 03/24/2005

Brown, Rudnick, Freed & Gesmer, P.C.
Box IP, 18th Floor
One Financial Center
Boston, MA 02111

EXAMINER

FULTS, RICHARD C

ART UNIT	PAPER NUMBER
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3628

DATE MAILED: 03/24/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/825,426

Applicant(s)

FRANK ET AL.

Examiner

Richard Fults

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 April 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-12 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-12 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

1. Claims 1-12 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention. Pages 1-3 of the specification describe prior methods and systems of portfolio optimization, some of them manual in nature. The rest of the specification discusses different trial and error calculations that can be done by computer to determine an optimum investment strategy, based on user inputted assumptions about asset allocation and investment objectives. Other than the trial and error approach, there are no specific series of steps or means or systems that accomplishes the optimization discussed that would allow another to make or use this invention. Edison is said to have tried 10,000 different filaments for a light bulb before finding one that worked. He did not get a patent on the conceptual system of trial and error, but for the filament he found after all the trials.

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

2. Claims 1-12 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. The claims discuss different trial and error

calculations that can be done by computer to determine an optimum investment strategy, based on user inputted assumptions about asset allocation and investment objectives. Other than the trial and error approach, there are no specific series of steps or means or systems that accomplishes the optimization discussed that would allow another to make or use this invention. Edison is said to have tried 10,000 different filaments for a light bulb before finding one that worked. He did not get a patent on the conceptual system of trial and error, but for the filament he found after all the trials.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

3. Claims 1-12 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aliber et al (hereinafter Aliber), Global Portfolios, Quantitative Strategies for Maximum Performance; Chapter 13: Applied Portfolio Optimization, 1991.

Aliber discloses (see pages 211-226) all the systems, methods, and steps described in claims 1-12 including a system, for running on a computer, for determining an investment strategy for an entity with assets in taxable and tax-free accounts, an account information input component to accept information regarding said assets in said taxable and tax-free accounts for said entity, an investment selection input component to accept information regarding a plurality of investments including an indication of a percentage amount of said assets to invest in each of said plurality of investments, an account amount selection component to determine an amount to invest from said taxable amounts and tax-free accounts in each of said plurality of investments wherein

said determined amounts substantially matches said indication of a percentage amount to invest in each of said plurality of investments, a time horizon input component to accept an indication of a time horizon, and a return on investment calculation component to calculate a return on investment for said entity based on information regarding said assets, said information regarding a plurality of investments, said indication of a percentage amount, said selected amount to invest from said taxable and tax-free accounts, and said indication of a time horizon, and wherein said account amount selection component determines an amount from said taxable and tax-free accounts in order to produce a maximal after-tax accumulation for said entity at said time horizon. Aliber does not discuss tax considerations.

However, tax considerations routinely fit into the categories of; risk, investment policy, and optimization of returns to the investor that Aliber does specifically teach. Because of that fact, it would have been obvious to one skilled in the art at the time of the invention to have concluded that tax considerations were part of Aliber's teachings.

4. Because the applicant has admitted (see pages 1-3 of specification) the prior existence of manual systems for optimizing an investment portfolio through trial and error it would have been obvious to one skilled in the art at the time of the invention to have used computers to optimize investment returns in a portfolio, since it has been held that broadly providing a mechanical or automatic means to replace manual activity which has accomplish the same result involves only routine skill in the art. *In re Venner*, 120 USPQ 192.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard Fults whose telephone number is 703-305-5416. The examiner can normally be reached on weekdays from 8:30 to 5:00.

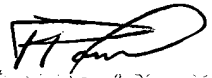
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Hyung Sough, can be reached on (703)-305-0505. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3628

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-1113.


RCF

3/7/2005


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